

THE Mentor

News from the State Retirement and Pension System of Maryland

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STATE RETIREMENT
and PENSION SYSTEM
of MARYLAND

Trustee elections stated; Nomination period underway

RETIREES AND ACTIVE MEMBERS

of the State Retirement and Pension System of Maryland will have the opportunity to choose two retirees to serve on the System's Board of Trustees in elections slated for June, 2007.

Nomination forms for a retired Teachers' System representative and an Employees' System representative to the Board are available from the State Retirement Agency. These seats are currently held by Carl D. Lancaster and John W. Douglass, respectively. Mr. Lancaster has served on the Board since 1987 and Mr. Douglass since 2004. The Trustees chosen in next year's election will serve terms from August 1, 2007 to July 31, 2011.

See Trustee elections, page 3

Board names R. Dean Kenderdine as Interim Executive Director

THE BOARD OF TRUSTEES FOR THE MARYLAND STATE RETIREMENT AND PENSION SYSTEM

has appointed R. Dean Kenderdine as Interim Executive Director. Mr. Kenderdine will serve in this capacity until a search is conducted and a permanent replacement is named.

"The Board and I have the utmost confidence in Dean's administrative and management skills to oversee the Agency during this transition period," Chairman of the Board and State Comptroller William Donald Schaefer said. "His 25 years of public service will help the retirement and pension system remain on firm ground until a new director is named."

Vice Chairman Nancy K. Kopp said, "Dean has successfully filled this role in the past. He will provide an excellent transition. The Board welcomes him back and looks forward to working with him."

Mr. Kenderdine has dedicated his 25 year career to public service. Since January 1999, Mr. Kenderdine has served as the chief of staff for the Comptroller overseeing that agency's legislative activities, personnel services, intergovernmental relations, strategic planning and concerns relative to the state's business community and economic development. He replaces Thomas K. Lee who accepted a position with the New York State Teachers' Retirement System.



Planning to retire in 2007?



A handy retirement checklist is provided on page 4 to help you get started.

Keep your beneficiary selection up to date

IF YOU HAVE EXPERIENCED A CHANGE IN YOUR LIFE – such as the arrival of a new family member, a marriage or divorce, or the death of a loved one – you may wish to update your beneficiary designation.

Your designated beneficiary(ies) are listed on your annual Personal Statement of Benefits. If you don't remember who you selected as your beneficiary, simply call the State Retirement Agency's automated phone system at 410-625-5555 or toll free 1-800-492-5909 and select option 3 to check your beneficiaries on file.

Beneficiary changes must be requested in writing. To change your beneficiary(ies), obtain *Beneficiary Designation* (Form 4) from your Retirement Coordinator or from the Retirement Agency Web site at www.sra.state.md.us. Your new designation will become effective as soon as your completed form is received by the Agency.

www.sra.state.md.us

Members nearing retirement should request an estimate of benefits

IF YOU ARE THINKING OF RETIRING within the next 12 months, be sure to submit a Form 9, *Application for an Estimate of Service Retirement Allowances*, to the State Retirement Agency. Members of the State Police or Law Enforcement Officers' Systems should submit Form 10 or Form 97, respectively.

If you are more than 12 months from retirement, try the Retirement Agency's online benefit estimator. See accompanying story in this issue.

Once the Retirement Agency processes your request for an estimate, you will receive information on your service credit and average final

compensation as well as an estimate of the monthly benefits you could receive.

Please check all of the boxes on the form to receive an estimated monthly retirement amount under each retirement allowance option. This will help you decide which payment option is best suited to you and to those who may rely on you for continuing income after your death.

A retirement counselor cannot provide you with your retirement estimates. You must request one by completing an estimate application.

You should receive your estimate in the mail approximately three to four weeks after filing your request.

Agency forms, including Forms 9, 10 and 97, are available:

- Online at www.sra.state.md.us
- From your Retirement Coordinator in your employer's personnel department
- From the State Retirement Agency at 410-625-5555 or toll free 1-800-492-5909.

Web site benefit estimators: A handy tool for retirement planning

IF YOU'RE MORE THAN A YEAR FROM RETIREMENT, you can still get an idea of your future retirement benefit by using the State Retirement Agency's online Web site benefit estimators.

Log on to the Retirement Agency Web site at www.sra.state.md.us and, under the heading Featured Links, click on Online Benefit Estimators. Indicate your system of membership and follow the on-screen instructions to estimate your benefit at retirement.

The online benefit estimators do not determine eligibility for retirement and are provided for illustration purposes only. The estimator's output is based only on information you provide, and does not include any information contained in System records.

Visit the State Retirement Agency Online!



- **Benefit Estimators**
- **Forms and Pamphlets**
- **Newsletters, Handbooks and Annual Reports**

Changing jobs? Don't forget to transfer your retirement credit

IF YOU RECENTLY CHANGED JOBS

and retirement or pension systems, you may be eligible to transfer the service credit that you earned in the former system into your new retirement or pension account. To qualify for the transfer of service credit, your employment must be continuous and you must apply to transfer the qualified credit within one year of becoming a member of your new system. Under these rules, *continuous employment* means that you changed jobs **without** incurring a break in employment.

It is important to remember that any transfer of service credit must be done within one year after becoming a member of your new system. There are no exceptions.

The rules of your new system determine the amount of employee contributions with interest needed to accompany the transfer of service. If you do not pay these funds, a contri-



bution deficiency will be placed on your account. At retirement, any monies owed to the system will result in an actuarial reduction of your monthly benefit.

Two general types of credit transfers are possible. A member may be eligible to transfer service credit from:

1. a previous State Retirement and Pension System (SRPS) plan to a new SRPS plan. An example would be a state trooper, with membership in the State Police Retirement System, who accepts a position as a teacher and joins the Teachers' Pension System. To transfer credit within SRPS, you must submit a *Request to Transfer* (Form 37).

2. a retirement or pension system operated under the laws of any political subdivision of Maryland to an SRPS plan. An example would be a Baltimore City employee, with membership in Baltimore City's retirement plan, who becomes a state employee and joins the Employees' Pension System. To transfer credit earned with a non-SRPS plan, submit a *Request to Purchase Previous Service* (Form 26).

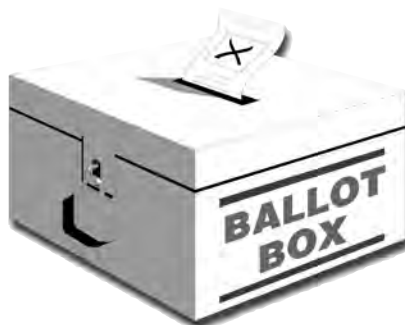
For more information on eligible service transfers, contact a retirement counselor at 410-625-5555 or toll free at 1-800-492-5909.

Trustee elections continued from page 1

Prospective teacher candidates must be retirees of the Teachers' Retirement or Teachers' Pension Systems. Employee candidates must have retired from the Employees' Retirement or Pension Systems, Correctional Officers' Retirement System, Judges' Retirement System, Legislative Pension Plan, Local Fire and Police System or the Law Enforcement Officers' Pension Plan.

Each prospective candidate also must obtain the signatures of 500 eligible voters on official nomination petitions to be entered on the ballot

as a candidate for the Board. Nomination petitions must be submitted to the State Retirement Agency by



March 30, 2007. To receive a nomination petition, contact William Legg, Special Assistant to the Retirement

Administrator, at 410-625-5612 or toll free at 1-800-492-5909.

The Board of Trustees is charged with the fiduciary responsibility for properly administering the retirement and pension allowances of more than 103,000 retirees and beneficiaries as well as the future benefits for more than 188,000 active members. These groups include state government employees, teachers, law enforcement personnel, legislators, judges and local government employees and fire fighters whose employers have elected to participate in the System.

Retirement Checklist

MEMBERS PLANNING TO RETIRE within the next 12 months should now be taking specific steps toward that goal. The checklist printed below provides a general timetable for retirement preparation for members of the Employees' and Teachers' Retirement and Pension Systems. But it is also useful as a guide for members of other Systems. This schedule shows the best time to begin filing some of the required forms and making the necessary contacts with the Retirement Agency.

One to three years prior to retirement

- ☐ Attend one of the Retirement Agency's pre-retirement seminars. Contact the Retirement Agency or your personnel department for details. Seminars are conducted annually in the spring and fall.

Twelve months prior to retirement

- ☐ Request an *Application for an Estimate of Benefits* (Form 9). Select all of the option choices to obtain information on each of the various payment plans. Keep in mind that this form is not a retirement application. It is designed for planning purposes only.

Note: You may request an estimate only during the 12 months prior to your planned retirement date.

- ☐ Apply to purchase any eligible service by submitting a *Request to Purchase Previous Service* (Form 26) along with your request for an estimate.
- ☐ Apply for any eligible military credit using a *Claim of Retirement Credit for Military Service* (Form 43).
- ☐ Contact the nearest Social Security office for an estimate of your Social Security benefits. You can obtain an estimate request form by calling the Social Security Administration at 1-800-772-1213.

Six months prior to retirement

- ☐ If desired, schedule an appointment with a retirement benefits counselor to review your estimated benefits. It is recommended that you bring a copy of your latest estimate so you and your counselor can discuss this information at the meeting.
- ☐ Discuss your estimated benefits/options with your family and financial advisor.
- ☐ Contact your personnel office to inquire if you may continue employer-provided benefits, such as health insurance, after retiring.

- ☐ Obtain proof of birth for beneficiary(ies).
- ☐ Prepare a retirement budget, estimating your retirement expenses against your State pension benefit, Social Security and any other income.
- ☐ Undergo a complete medical check-up.
- ☐ Update or prepare a will.

Three months prior to retirement

- ☐ Contact Social Security to file for benefits (if age 62 or older).

Two months prior to retirement

- ☐ Contact your personnel office and file your actual retirement application, *Application for Service or Disability Retirement* (Form 13-23).
- ☐ Provide proof of birth for designated beneficiary (for allowance Option 2, 3, 5 or 6).
- ☐ If eligible, complete authorization forms to continue your health coverage and any other benefits provided by your employer.
- ☐ Complete a *Direct Deposit Electronic Fund Transfer Sign-Up* (Form 85) for the electronic transmission of your payment to your bank, savings institution or credit union.

Note: Direct deposit is mandatory for all retirees. In rare cases, a member, who believes that direct deposit would pose an undue hardship, may request a waiver from the executive director of the Retirement Agency. **If your completed Form 85 or waiver is not on file with the Agency, a suspension of your retirement benefit could result!** When you retire, your first benefit check(s) may be delivered to your home address while your Form 85 is being processed.

- ☐ Complete *Reemployment After Retirement* (Form 127) to acknowledge an understanding of the consequences of reentering the workforce (mandatory).
- ☐ Complete a *Federal and Maryland State Tax Withholding Request* (Form 766).

One month prior to retirement

- ☐ Submit a formal letter of retirement to your employer.

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The State Retirement Agency
120 East Baltimore Street
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410-625-5555
1-800-492-5909
www.sra.state.md.us

EDITOR:
Benjamin Robb

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